

## SUBSCRIPTION SERIES

### // CASE STUDY //

# ROYAL NEW ZEALAND BALLET

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NEW ZEALAND

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### ***Are subscription series still viable in today's market place? Who do they appeal to and why?***

As long as a subscription series changes in response to market demands, it will have a place within the arts.

### **BRIEF OVERVIEW OF THE ROYAL NEW ZEALAND BALLET**

The Royal New Zealand Ballet (RNZB) was formed in 1953 by Danish Royal Ballet Principal Dancer Poul Gnatt. The company's early days of touring embodied the New Zealand pioneering spirit. Performing night in night out, company members unloaded and repacked the set, rigged the lights and ironed the costumes, with local community members providing accommodation.

The spirit of those days survives, and the support of the New Zealand public remains. The RNZB is seen as an intrinsic part of the country's national heritage, and has the largest following of all New Zealand performing arts companies.

Touring is the lifeblood of the RNZB. Annually the company performs to over 100,000 people across three to four main seasons in between six to 50 centres.

The RNZB has developed a reputation for strong characterisation in the staging of full-length dramatic works, which became a hallmark in the 1980s. To this base have been added the masterworks and major ballets of the 20th century, such as Balanchine's works and the Stravinsky ballets.

The 32 dancers of the RNZB possess a unique physical strength and versatility, and a well-developed sense of individuality. New international and New Zealand choreography expresses these qualities and features prominently in the company's repertoire.

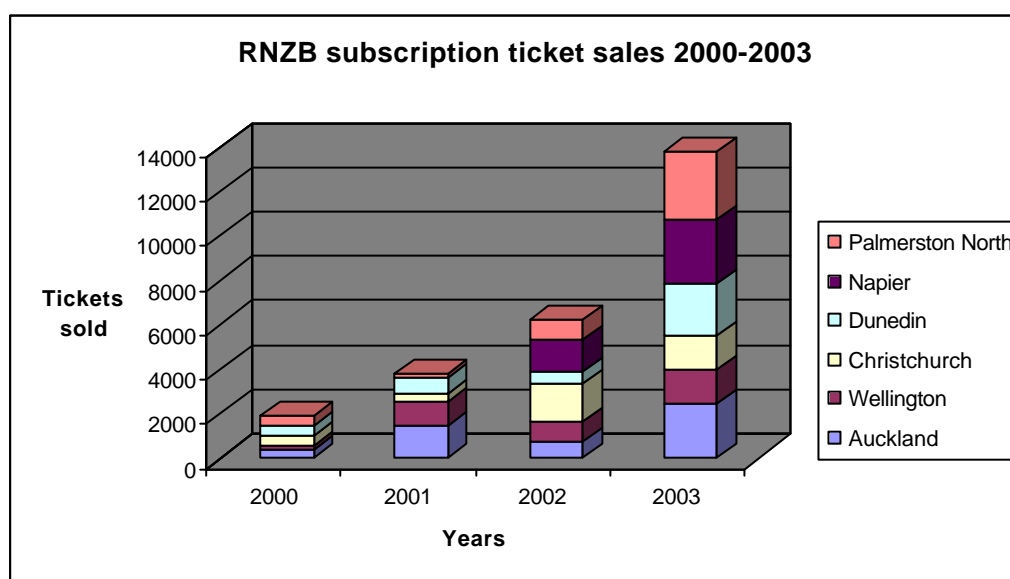
In January 1998, the RNZB moved to its first ever permanent purpose built premises at Wellington's Westpac St James Theatre. The company employs over 50 staff and turnover in 2003 was \$7.3m, of that government funding accounted for 38%; sponsorship, 16%; and box office takings, 42%.

## BEFORE AND AFTER THE RECENT SUBSCRIPTION DRIVE

Subscribers are, as with every performing arts company, the RNZB's most loyal customers, committing themselves to purchasing tickets for multiple shows many months in advance.

While the concept of purchasing tickets in advance to make substantial savings and secure the best available seats appears attractive from a marketer's perspective, the decline of the RNZB's subscriber base over from 1998 - 2000 (over a 45% decline in numbers from 1997) suggested that the packaging and benefits offered by the programme required significant revision<sup>1</sup>.

The following diagram shows subscription growth broken down by subscription region.

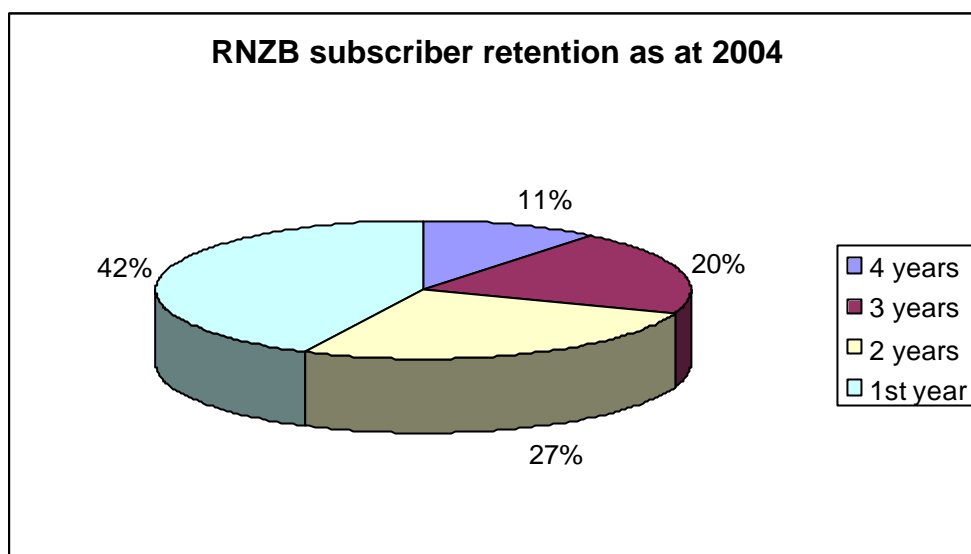


After a significant overhaul of the programme, subscription sales since 2000 have almost doubled year on year.

## PROFILE OF RNZB SUBSCRIBERS

- 89% female
- 91% European NZers, 3% Asian, 6% Other
- 47% employed full time, 20% part time, 33% other
- 11% under 35, 48% 35-54 years old, 41% over 55

<sup>1</sup> Unfortunately up until 2000, subscriber levels were measured only by the number of people who physically filled out a form i.e. one form = one subscriber. From 2000 the Ballet also started measuring subscriptions by the number of tickets sold.



## OBJECTIVES WITH THE SUBSCRIPTION SERIES

Our 2001 Strategic Marketing identified the following adult audience objective:

*Focus on developing customer relationships to retain and grow the existing adult audience by:*

- Increasing customer loyalty and commitment.
- Increasing individuals' frequency of attendance.
- Converting single ticket purchasers to subscribers.
- Encouraging existing audience to introduce new attendees.

## SUBSCRIBER RESEARCH PROJECT

Before the ballet could credibly develop a strategy to support the subscriptions goal, the decision was made to go back to basics and talk to our audience. We commissioned a subscriber research project, the aim of which was to review the RNZB's current subscriptions package with a view to improving or altering its benefits and attracting greater number of ballet goers to join the programme.

Specific objectives included:

- Exploring customers' motivations for subscribing.
- Identifying customers' perceived barriers to subscribing.
- Identifying features of subscribing that are attractive to customers with no subscription history.
- Reviewing the current subscription brochure and booking form.

## **Research design**

A qualitative approach was taken to the research design of this project that involved:

- Three focus groups made up of a cross section of RNZB audience members including subscribers, lapsed subscribers and those audience members who had never subscribed.
- A postal survey to provide quantitative data on the reasons for and barriers to subscribing.

## **Main findings**

- Main motivation: best seats at the best prices.
- Main barrier to subscribing: committing such a significant amount of money so far in advance.
- Main concern with the brochure: not enough descriptive information about the nature of the productions offered which made making a commitment a 'leap of faith'.
- Main recommendation for increased benefits: free programmes so subscribers can read up on the production before they attend.

## **STRATEGIES**

### **THEY SPOKE, WE LISTENED**

New selling points that were introduced in response to the research included:

- Play on the motivation - throughout the campaign "the best seats at the best prices" mantra was used to reinforce the reason to subscribe.
- Financial flexibility – giving subscribers the option to make three payments during the year.
- Greater choice – subscribers now have the option of booking four categories of seating (we have six in total) rather than just three, which not only increased their choice of seats but gave them a greater range of prices.
- More information - the information contained in the brochure changed from sales patter to content that was both emotive and descriptive. Our aim was to inform our audience of what they would see on stage in order to help them feel more secure in their booking decision.
- One free programme for each two seats booked.

### **DIFFERENTIATION THROUGH CUSTOMER SERVICE**

Feedback received through the subscriber focus groups and information learnt from research into other organisations' subscription offerings showed that a key reason for subscribing is the customer seeking a feeling of involvement and benefits over and above that received by a normal single ticket purchaser.

Customer service is not a feature that can be convincingly demonstrated through promotional campaigns, however, by actively demonstrating our commitment to the

customer at each stage of the subscriptions process, subscriber loyalty and subsequent levels of retention can be increased.

To address this the ballet introduced:

- A special 0800 subscriber line – all calls answered promptly and information dispatched immediately.
- Greater flexibility – ability to change tickets for another night or another performance through the ballet box office as many times as needed.

### **SELL, SELL, SELL!**

Customer benefits and service are all important, but in order to increase ticket sales, the Ballet had to increase the opportunity for potential subscribers to join the programme.

*Over the counter sales:* in each subscription centre, customers could book subscription packages at their local box office rather than being restricted to phone, fax or mail.

*Would you like fries with that?* Box office sellers were encouraged to up sell subscription packages to single ticket purchasers. Over 40% of our subscription sales are now done over the counter.

*Don't be shy:* the Ballet became proactive sellers of subscriptions, highlighting the benefits during its seasonal campaigns and aggressively targeting attendees of the company's end of year season.

*Sales mechanisms:* Anywhere and everywhere. The idea that subscriptions sales should only be sold via phone, fax and mail is outmoded. Whenever you sell a ticket, you have the opportunity to sell a subscription package e.g. the "would you like fries with that" approach taken by proactive box offer sellers.

### **PROGRAMMING**

Clearly programming is essential. If people aren't interested in a show, they won't subscribe. In a recent survey of all the Ballet's 2003 subscribers who failed to resubscribe in 2004, 90% cited the main reason as simply that they didn't like the shows on offer.

Certainly the more popular a show in terms of single ticket sales, the more people will subscribe. As our research revealed: if a show doesn't appeal; people don't subscribe.

The RNZB makes each of its three main seasons available to subscribers. Each year the company endeavours to mount productions in across a range of genres (contemporary, dance drama, classical/family). Subscribers can choose to book a two- or three-performance package.

## **PRICE**

Rather than price, it's the discount that matters, at least for RNZB subscribers. The same survey asked subscribers to name the number one benefit of the RNZB subscription programme – 80% cited discounted prices. RNZB subscribers receive a 20% discount off adult and child prices.

## **DISTRIBUTION**

### **Touring**

If your company tours, you have to go to a centre consistently before you can introduce a subscriptions programme. Then you have to keep going, no matter what. Subscribers have the right to expect as much loyalty as they give. In 2002 we gave residents of the Hawke's Bay the chance to subscribe to RNZB performances in their area. The region quickly became our 3<sup>rd</sup> largest subscriptions centre, behind major cities Auckland and Wellington.

### **Venues**

Sit in every seat and know the venue inside out. If you want happy and loyal customers you have to have the confidence that the product you're selling is the product they think they're buying.

### **Ticketing**

Do everything you can to make sure that that experience is a positive one. Whether you process your subscription tickets in house, or use an agency, make sure that you set strict service guidelines i.e., phone calls answered within x, messages returned in x, tickets distributed in x.

The RNZB uses two ticketing agencies (the venues contract the ticketing agency not the promoter, so we have no choice). We have access to both agencies' selling systems so that sales can be tracked and the results centralised.

## **PARTNERSHIPS**

Our major ticketing agencies are intimately involved in our subscriptions programme. Recently we outsourced much of the work to our agencies: right from receiving the subscriptions enquiry (be it on the special 0800 line, via fax, post or over the counter); to mailing out the tickets with a personalised letter (on our letterhead) and handling all exchanges, flexi payments etc.

## **COMMUNICATIONS**

No matter how good the product is, the customer has to be convinced. The Ballet changed the way it communicated with its audience by clearly explaining what would be seen on stage.

Also, by providing background information on the genre of dance being presented (i.e. what is contemporary dance, classical ballet, or dance drama) and making it accessible, the Ballet broke down many preconceived notions that created a barrier to sales.

Strong photography and typography forms the backbone of the Ballet's campaigns. The subscriptions campaign is the first time that our audience gets to see what the company is offering, so it's essential that we make a positive impact. It's often very difficult to come up with a concept for a work that won't be created for many months, but by engaging the forces behind the work (choreographer, designer etc) you have a better chance of conveying that production's unique voice in a way that won't need too much meddling by the time it makes it to the stage.

### **Brochure**

<http://www.fuel4arts.com/files/attach/Subs%20ballet%20brochure%202003.pdf>

<http://www.fuel4arts.com/files/attach/subs%20brochure%202004.pdf>

### **Part of season brochures**

<http://www.fuel4arts.com/files/attach/Saltarello%20flier.PDF>

### **Direct mail campaign**

Sent to 12000 current, lapsed and potential subscribers (targeted letter and brochure).

### **Website**

Front page of website: <http://www.nzballet.org.nz/home.php>

Subscribe page: <http://www.nzballet.org.nz/bookings/subscribe.php>

Part of the general booking options

[http://www.nzballet.org.nz/bookings/book\\_saltarello\\_Auckland.php](http://www.nzballet.org.nz/bookings/book_saltarello_Auckland.php)

### **Pre show DVD subscriptions show**

Every attendee at our end of year performances sees the upcoming year's line-up on a big screen presentation before the show with an emphasis on the benefits of subscribing.

All audience members are then given a subscriptions brochure as they leave the theatre. Many ballet purists objected, but they couldn't argue with the results. Subscription numbers jumped noticeably after each screening, and customer retention of the seasonal information also increased, which helped push along single ticket sales.

### **Upselling**

As mentioned before.

### **Media release**

<http://www.fuel4arts.com/files/attach/RNZB%202004%20programme%20media%20release.pdf>

### **Follow up direct mail campaigns**

#### **BRINGING PREVIOUS SUBSCRIBERS BACK**

We contact non-renewing subscribers in the following ways:

- First direct mail wave
- DM just before the subscriber preferential period finishes
- DM before each of our first two seasons

Failing that, we call them all up! The primary aim of the phone campaign is to survey each non-renewing subscriber's opinions of the current subscriptions offering and the reasons behind their non-renewal. During that survey if the customer shows even the slightest inclination, we offer to book their subscription there and then on the phone! From that survey we found out that:

- 96% rated the subscription service as very good or excellent
- 93% rated subscription benefits as very good or excellent.
- Best subscription benefits ranked as follows:
  - (1) Discounted prices
  - (2) Preferential booking
  - (3) Its a job out of the way
  - (4) Free programme
  - (5) Flexibility

#### **WHAT WE'D DO DIFFERENTLY NEXT TIME**

We're in a continual cycle of improvement. Every year we review the benefits, service, brochure look and feel, and clarity of communication; and make adjustments for the next campaign. For 2005 we're going back to basics and are making sure that the customer service chain is as smooth and faultless as possible.

#### **TAKE AWAY TIPS FOR OTHERS**

- Ask away. You can't respond to your customer's changing needs if you don't know what they want.

- Walk a mile in their shoes. Always think about your subscriptions programme and processes from your customer's point of view.
- Be flexible (not only relevant to dance companies!). Subscriptions programmes need to keep pace with society's increasingly frantic pace. People don't plan ahead as they once did, so build as much flexibility into your subscriptions programme as possible.
- Beauty is in the eye of the beholder (of the money): package the information attractively and communicate clearly.
- Hostess with the mostess: customer service is the key to any ongoing sales programme. Subscribers want to feel special; the smallest details can make all the difference and clinch the deal.
- KISS: Make it easy and simple for people to buy your product. The more barriers you can remove, the more sales you make.
- It's not rocket science: people often don't know what they need till they're told. Subscriptions offer your audience to get the best seats at the best prices, what could be better? So make sure they know about it.

### **WHY THIS INITIATIVE WORKED WHEN OTHERS HAVE FAILED**

Some of the results can be put down to the Ballet overhauling a package that had offered the same benefits for years.

But a major factor was that we made it easy to subscribe by eliminating some of the major barriers e.g. making subscriptions available over the counter, increasing the range of seating categories that could be subscribed to, and increasing the flexibility of the package (introduction of flexi payments etc). We also pushed the marketing of the product at every available opportunity.

### **THE FUTURE**

We still have a long way to go. Compared to many performing arts organisations, our subscription numbers are still relatively low compared to our overall sales (currently only 15% of the company's box office revenue). The aim is to increase our subscription sales to the point where we can significantly reduce our marketing spend to the single ticket purchasers. We can but dream!